LOCAL GOVERNMENT SERVICES DIVISION

Municipal Services Branch

Village of Hughenden Dissolution Study

May 2005

Alberta
MUNICIPAL AFFAIRS

PHONE: (780) 427-2225 . FAX: (780) 420-1016 . E MAIL: lgsmail@gov.ab.ca

17TH FLOOR COMMERCE PLACE 10155 - 102 STREET EDMONTON, ALBERTA T5J 4L4 INTERNET: http://www.municipalaffairs.gov.ab.ca/ms

Introduction

Section 130 of the Municipal Government Act requires that a dissolution study be done if the Minister of Municipal Affairs (Minister) receives a request from a municipal council. In March of 2004, the Minister received a request from the council of the Village of Hughenden (village) asking for a dissolution study.

What is dissolution?

Dissolution is the legal process of dissolving one municipal corporation and joining it with another municipal corporation.

The Village of Hughenden is a municipal corporation providing local governance and municipal services to the residents. If the village dissolves, it would join with the municipal corporation of the Municipal District of Provost No. 52 (MD). The MD would then provide local governance and municipal services to the residents of Hughenden.

What is a dissolution study?

A dissolution study is a written report that in part:

- describes the current situation in the village;
- describes current information on municipal services in the village and what changes may occur if the village joins the MD; and
- provides a comparison of village and MD taxes for 2004.

Information for the study is gathered from:

- the village council and administration;
- the MD council and administration; and
- public and Alberta Municipal Affairs (ministry) records.

What is the purpose of the dissolution study?

The purpose of the dissolution study is to provide the residents and the Minister with information on the village's current situation and what the residents of Hughenden might expect if the village were to dissolve and join the MD.

Please note: *A dissolution study is not an audit or an inquiry into the operation of the municipality.*

What happens after the study is completed?

Residents receive the following:

- a copy of the completed study;
- notice of the date, time, and location of a public meeting when ministry staff will present the study and answer residents' questions; and
- a "Notice of Vote on a Bylaw or Question" giving the date, time, and location of the vote on the question of dissolution.

The current situation in Hughenden

Hughenden was incorporated as a village on December 27, 1917. It is located southeast of Edmonton along Highway 13. The MD of Provost No. 52 is the village's rural neighbour.

Village Population

According to ministry records, the village's current population is 235. This is a decline of approximately 22 percent from the 2001 level of 302. The village reported that no new building permits were issued during the 2001-2004 period.

Thirty percent of the population is under the age of 19, fifty-five percent is between 20 and 65 years of age, and fifteen percent of the population is over the age of 65 according to 2001 Statistics Canada information.

Summary of Village Finances

Financial information for 2004 was not available when the report was prepared.

However, the village is in a stable financial position.

- On average over the past five years, operating revenue has been greater than the operating expenses.
- The village has managed its cash flow so that it has not needed any short-term borrowing.
- The village has established some capital reserves to assist with future capital projects.
- The village's long-term debt is at 75 percent of the debt limit established by the ministry.
- The property tax assessment base has increased by 6 percent over the past five years and is currently $5 million.
- The municipal tax rate increased by 12.5 percent, or an average of 2.5 percent per year over the past five years.

Operating fund

The village's operating fund balance was $105,807 at December 31, 2003. The village manages its cash flow and has not required any short-term borrowing to finance its operations between tax collection dates.

With the exception of 2003 when there was a shortfall of $16,521, the village's operating revenues exceeded its operating expenditures since 1999. Any excess revenue was used for capital purchases, was transferred to reserves, or remained in the operating fund.

Capital reserves

The village had capital reserves of $177,467 at December 31, 2003. Reserves help the village plan and pay for future projects or emergency repairs. If the reserves are not sufficient, the village may have to fund future capital projects or emergency repairs from the property tax levy or by borrowing the funds.

Debt

The village's regulated debt limit is $383,033. At December 31, 2003, the village's actual debt was $288,792. This is due mainly to the village borrowing $235,000 for its share of the cost of the water plant project in 2003. The debt is within the regulated limits.

Equalized property tax assessment

The village's equalized property tax assessment for 2004 was $5,055,657. The assessment base is made up of approximately 75 percent residential assessment and 25 percent non-residential assessment.

The assessment base increased from $4,748,210 for 2000 to $5,055,657 for 2004. The majority of the increase can be attributed to market value increases and other adjustments because the village reported that no new building permits were issued during this period.

Village net municipal property tax

The net municipal property tax levy is the amount of money required from the property tax assessment base to support the village's operations. It does not include requisitions for education or the seniors' foundation. Between 2000 and 2004, the revenue from the municipal tax levy increased by 35 percent, or $39,585. In 2000, the municipal property tax levy was $113,915 and in 2004, it was $153,200.

The majority of the increase occurred between 2003 and 2004 (30 percent) because the first debt payment on the new water treatment plant was due in 2004. The funds were raised from the property tax levy and not the utility rates.

Village expenditures

The chart on the following page shows what the village spends on operating costs, based on the five-year average from 1999 to 2003.

Village of Hughenden Average Expenditures, 1999 to 2003

Expenditure Categories	Five-Year Average 1999 to 2003	%
Council and Other Legislative	$ 8,565	4
General Administration	68,952	32
Fire	18,292	8
Roads, Streets, Walks, Lighting	27,360	13
Water Supply and Distribution	51,207	24
Wastewater Treatment	14,423	7
Waste Management	23,081	11
Family and Community Support	2,066	1
Planning and Development	158	0
Parks and Recreation	2,139	1
Total Operating Expenditures	$ 216,244	100

The village spends, on average, 98 percent of its operating revenue to provide what are generally considered basic services.

Comparison of Services and Community Issues

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Council representation	The village council consists of three members elected at large. Each councillor represents all the residents of the village. The village council appoints the mayor annually at its organizational meeting. The first duty of village councillors prescribed in Section 153 of the Municipal government Act is: *To consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality.*	The MD is divided into seven electoral divisions. Residents in each division elect one councillor to represent their interests on the MD council. The MD council appoints the reeve at its organizational meeting. The first duty of MD councillors prescribed in Section 153 of the Municipal government Act is: *To consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality.* Hughenden residents would initially be included in division 6. which has an estimated population of 375. The MD council may consider adjusting the electoral boundaries to ensure equal representation in the western region of the MD. The MD strongly suggests that Hughenden residents set up a committee to act as an advisor to the area councillor if Hughenden joins the MD. This practice is currently in place in the other hamlets in the MD.
Council	The village council meets on the third Tuesday of the month at 7:00 pm in the village office. Council meetings are open to the public to listen and observe. If residents wish to make a presentation to council or speak to council, they contact the village office to be placed on the council meeting agenda.	The MD council meets on the second Thursday of the month at 9:00 am in the MD office. Council meetings are open to the public to listen and observe. If residents wish to make a presentation to council or speak to council, they contact the MD office to be placed on the council meeting agenda.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Village office	The village office is open to the public Monday to Thursday from 9:00 am to 4:00 pm for residents to conduct business with the municipality.	The MD office is open to the public Monday to Friday from 8:30 am to 4:30 pm for residents to conduct business with the municipality. The MD would close the village office and conduct municipal business from the MD office in Provost. The MD would consider renting out the village office should there be any interest.
Information	Village residents can get information about municipal business from village council members or by contacting the village office during regular hours of operation.	MD residents can get information about municipal business from MD council members or by contacting the MD office during regular hours of operation. If Hughenden joins the MD, residents would be provided with a package of information about MD services, plus emergency and contact numbers.
Payment of tax and utility accounts	Village residents can pay tax and utility accounts: • at the village office; • at the Wainwright Credit Union, Hughenden Branch; • by mail; or • by phone.	MD residents can pay tax and utility accounts: • at the MD office in Provost; or • by mail.
Village employees	The village has two part-time employees who carry out administrative duties and deliver municipal services: • the Chief Administrative Officer, who works four days per week; and • the village foreman, who works four hours per day Monday to Friday, one hour per day on Saturday and Sunday, and is on call for emergencies.	The MD has 26 full-time employees who carry out administrative duties and deliver municipal services. If Hughenden joins the MD, the village employees would receive severance packages based on the individual's entitlement at the time of dissolution or following a three-month transition period. The ministry contributes to employee severance costs. The employment of former village employees by the MD beyond the three-month transition period would be a matter between the MD and the individual.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Taxes owing, due dates and penalties	There are outstanding (current and arrears) taxes owing to the village. Current taxes are due and payable before September 2 in the year they are levied. A penalty of 10 percent is assessed on any unpaid balance of current taxes as of September 2 and an additional penalty of 15 percent is assessed on any taxes remaining unpaid after December 31.	Outstanding (current and arrears) taxes owing to the village at the time of dissolution would become outstanding taxes owing to the MD. Current MD taxes are due and payable by November 1 in the year they are levied. A penalty of 5 percent is assessed on any unpaid balance of current taxes as of November 1 and an additional 15 percent is assessed on any unpaid balance on February 1 of the following year. **Note:** If Hughenden joins the MD, residents will only receive one tax bill in the current year. Depending on the effective date of dissolution the tax bill would come from the village or from the MD.
Assets and liabilities	Village assets include such things as cash, receivables, land, buildings, and equipment. Village liabilities include such things as long-term debt, accounts payable, and any outstanding claims against the village.	Village assets and liabilities would transfer to the MD at the time of dissolution. The MD could sell any assets not required by the MD for municipal purposes. The Order in Council dissolving the village would include a provision that the MD must deposit the following in a special reserve fund: • money received from Hughenden on its dissolution; and • money received from the sale of any assets of Hughenden. Money in the special reserve fund can only be used to: • reduce a liability incurred by Hughenden; or • for projects in the former area of Hughenden.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Debt	In 1980, the village borrowed $364,455 to construct the sewer lagoon and modify the sewage lift station. The debt is being repaid over a 25-year period with annual principal and interest payments of $11,147.96. The annual payment comes from property taxes and utility system revenues. The debt will be repaid in 2005. In 1991, the village borrowed $56,000 to construct the Ryberg sewage lift station. The debt is being repaid over a twenty-year period with annual principal and interest payments of $6,521.71. The annual payment comes from property taxes and utility system revenues. The debt will be repaid in 2011. In 2003, the village borrowed $235,000 to upgrade the water treatment facility. The debt is being repaid over a 15-year period with annual principal and interest payments of $23,609.90. The annual payment comes from both property taxes and utility system revenues. The debt will be repaid in 2018. Annual payment on the total debt for 2004 was $41,276.57. The amount of village debt remaining at December 31, 2003 was $288,792.	The village debt would transfer to the MD at the time of dissolution. However, the taxpayers of Hughenden would still be responsible for the annual debt payments. All of the existing debt is related to the utility systems and annual payments will most likely come from an increase in utility rates. Annual payments on any new long-term debt for the utility system would come from one or a combination of: • utility rates; • a special levy on all Hughenden properties; • a local improvement tax on specific properties; • any special reserve created by the Order in Council dissolving the village; and • other reserves.
Local improvement tax	A local improvement bylaw was passed in 1995 to recover costs for water and sewer service connections to seven properties. The bylaw levies a $75 per year charge for 20 years on each of the properties.	The MD would continue to levy the annual charge of $75 on the affected properties for the remaining period prescribed in the bylaw.
Minimum tax	The village sets a minimum amount of property tax payable for general municipal purposes. In 2004, the amount was $425 per parcel.	The MD does not impose a minimum tax.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Grants	The village is eligible for various grants from programs such as: • the Streets Improvement Program; • the Alberta Municipal Water/Wastewater Partnership; • the Municipal Sponsorship Program; and • the Alberta Sports, Recreation, Parks, and Wildlife Foundation. The village council applies for grants based on village priorities.	The MD is eligible for various grants from programs such as: • the Streets Improvement Program; • the Alberta Municipal Water/Wastewater Partnership; • the Municipal Sponsorship Program; and • the Alberta Sports, Recreation, Parks, and Wildlife Foundation. The MD council applies for grants based on MD priorities. The difference is that after dissolution, Hughenden's claims to grants would have to be considered along with the needs of the rest of the MD. Hughenden's priorities may not always be MD priorities.
Bylaws	The village has many bylaws in place to regulate and administer the municipality, including: • animal control; • traffic; • unsightly premises; • noise; and • land use.	Existing village bylaws would remain in force in Hughenden until the MD council either amends or repeals them. The MD has its own bylaws to regulate animal control, unsightly premises, and noise and would likely repeal the corresponding Hughenden bylaws.
Bylaw enforcement	Bylaw enforcement in the village is contracted from the MD. The current agreement provides for 55 hours of enforcement per year at $25 per hour. The cost of the service is paid from the general tax levy.	The MD employs a Special Constable to enforce MD bylaws and certain provincial statutes. The MD would continue to provide bylaw enforcement in Hughenden.
Police	RCMP from the Provost detachment provide police services at no cost to the village.	RCMP from the Provost detachment provide police services at no cost to the MD.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Ambulance	Ambulance service is provided under an agreement with the Provost and District Ambulance Society. The cost of ambulance service is based on a per capita fee. In 2004, the service fee was $15 per capita and was paid from the general tax revenues of the village.	Ambulance service is provided under agreement with the Provost and District Ambulance Society. MD residents pay a separate tax rate to pay for the service fee. The rate is set annually by the MD council to reflect the cost of providing the service. Hughenden residents would pay the same tax rate as other residents of the MD. The 2004 MD tax rate for ambulance services is included in the tax comparisons in appendices 1 and 2.
Fire and rescue service	The Hughenden and District Volunteer Fire and Rescue Department provides fire suppression and rescue service. The village owns the fire hall and equipment, including the rescue vehicles. The village is responsible for the administration of the fire and rescue service. The village has a fire agreement with the MD for fire suppression. The MD provides a fire pumper truck and associated equipment that can be used in the village. Under the agreement the village is responsible for: • servicing on the truck; • Workers Compensation for the firefighters; • storage of the MD fire truck; and • administration of the fire department. The MD is responsible for: • providing $8,000 in funding per year; and • paying the actual costs for fire calls responded to in the MD.	Fire suppression service would continue to be provided by the Hughenden and District Volunteer Fire and Rescue Department. The MD would be responsible for the administration and operational requirements of the fire department. MD residents pay a separate tax rate to pay for the fire suppression service. The rate is set annually by the MD council to reflect the cost of providing the service. Hughenden residents would pay the same tax rate as other residents of the MD. The 2004 MD tax rate for fire suppression services is included in the tax comparisons in appendices 1 and 2.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Fire and rescue service, cont.	Under a rescue coverage agreement between the village and the MD, the village agrees to respond to motor vehicle accidents, farm accidents and medical emergencies within the west end of the MD. The MD agrees to provide a manned fire pumper for each response as required. The village is responsible to provide: • emergency response vehicles and equipment; • responders trained in rescue and medical emergencies; and • the administration of the service. The MD is responsible to provide: • $5,000 per year in operational funding.	The MD supports the rescue service and recognizes that it is a volunteer service. If Hughenden joins the MD, the council would enter into discussions with the volunteers with the intent of coming to agreement on the operational requirements of the Hughenden and District Volunteer Fire and Rescue Department.
911 service	Service is provided by E-911 East Central Alberta Dispatch. The cost of the service is collected through residents' monthly phone bill.	The MD is negotiating a contract with the Camrose Police Service to provide 911 and dispatch services. The cost of the service is collected through residents' monthly phone bill. The MD also receives an annual requisition from the service provider for dispatch services that is paid from the general tax levy.
Disaster services	The village has a municipal disaster preparedness plan.	The MD would amend its municipal disaster preparedness plan to include Hughenden.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Road maintenance	Village roadways are a mix of asphalt and gravel surfaces. The village performs routine roadway maintenance using its own equipment. The village contracts with the MD for non-routine maintenance such as snow removal and grading as required. Major repair or construction is contracted out when needed. The village funds the non-grant portions of roadway projects from the general tax levy. Village priorities for clearing of snow are: 1. Mackenzie Avenue; 2. Rydberg Street; then 3. all other streets have equal priority.	The MD performs routine road maintenance using its own equipment. Major repair or construction is done using MD equipment or contracted out as required. The MD maintains an equipment garage in Hughenden. Hughenden would be subject to the MD's policy for prioritizing roadway maintenance, including snow clearing. Under the current policy, emergency and school bus routes are done first. Hughenden streets would receive the same priority as the other hamlets in the MD, where streets are cleared as soon as the MD's staff can get to them. In the event of a snow storm the MD would clear the access to the highway as the equipment leaves the garage to service other priorities.
Sidewalk maintenance	The village has approximately 3,000 metres of sidewalk considered to be in fair to good condition by the village foreman. The village maintains the sidewalks as required using the Streets Improvement Program grant to fund the repair or replacement of sidewalks in the village. Residents are responsible to clear the snow from the sidewalks adjoining their property.	The MD would maintain the sidewalks as required using the Streets Improvement Program grant to fund the repair or replacement of sidewalks in Hughenden. Residents would be responsible to clear the snow from sidewalks adjoining their property.
Street lighting	The village streetlights are owned and maintained by the utility company. The annual cost of street lighting is approximately $12,000, which is paid from the general tax levy.	The MD currently pays for street lighting in other MD hamlets. Hughenden residents would not be charged for the cost of street lighting.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Water supply and distribution	Water is supplied from two wells located within the village boundaries. A new water treatment plant was put into operation January 1, 2004. The water distribution system is between 40 and 50 years old. There is no record of any engineering studies being done to determine the condition of the underground piping. The distribution pumps are nearing 20 years old and according to the village operator may need repair or replacement. Water meters are installed in all residential and non-residential properties. The condition of the water meters is unknown and the age of the meters is reported to be from 6 to 25 years. The system is operated according to the code of practice issued by Alberta Environment. Alberta Environment advises that there have been no recent compliance issues. The village foreman operates the system according to the Alberta Environment code of practice and is available 24 hours a day to respond to emergencies. Village residents would be responsible to pay the cost of future upgrading of the water supply and distribution system. Funding would come from one or a combination of: • grants; • utility rates; • property taxes; and • reserves.	The MD would operate the water supply and distribution system using a qualified operator and in accordance with the code of practice issued by Alberta Environment. Emergency service would be available 24 hours a day. The MD would likely station an employee in Hugenden, similar to the other hamlets in the MD. Hughenden residents would be responsible to pay for any future upgrading of the water supply and distribution system. Funding would come from one or a combination of: • grants; • utility rates; • property taxes; • general reserves; and • any special reserve created by the Order in Council dissolving the village.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Wastewater collection and treatment	The wastewater collection and treatment system is operated by the village according to the code of practice issued by Alberta Environment. Alberta Environment reports that there are no recent compliance issues. There is no record of any recent	The MD would operate the wastewater treatment and collection system using a qualified operator and in accordance with the code of practice issued by Alberta Environment. Emergency service would be available 24 hours a day.
Wastewater collection and treatment, cont.	engineering studies to determine the condition of the treatment lagoon or the underground collection system. The village foreman operates the system according to the Alberta Environment code of practice and is available 24 hours a day to respond to emergencies. Village residents would be responsible to pay the cost of future upgrading of the wastewater treatment and collection system. Funding would come from one or a combination of: • grants; • utility rates; • property taxes; or • reserves.	The MD would likely station an employee in Hugenden, similar to the other hamlets in the MD. Hughenden residents would be responsible to pay for any future upgrading of the water supply and distribution system. Funding would come from one or a combination of: • grants; • utility rates; • property taxes; • general reserves; or • any special reserve created by the Order in Council dissolving the village.
Solid waste management	The village is a member of the MD # 52 Waste Management Authority and appoints a council member to the board. The village collects solid waste weekly and transports the waste to the waste transfer site for disposal. The village pays a per capita fee of $41 to the MD # 52 Waste Management Authority for disposal costs.	The MD does not provide solid waste collection in the MD. Hughenden residents would be responsible for transporting their solid waste to the transfer station maintained by the MD # 52 Waste Management Authority.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
HAC Recycling Partnership	The Villages of Hughenden, Amisk, and Czar (HAC) jointly operate a recycling program using Municipal Sponsorship Program funding. Under the agreement for the grant funding, the village is the managing partner and responsible for compliance with the grant requirements. The service area includes the three villages and the surrounding MD.	The MD # 52 Waste Management Authority operates the recycling program in the MD. The MD would become the managing partner of the HAC recycling program and assume responsibility for compliance with the grant requirements until the end of 2005. It would be up to the MD council and the councils of the villages of Amisk and Czar to determine future plans for the recycling program beyond 2005. The MD currently provides an annual grant of $1,800 to the HAC recycling program.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Utility rates	The village's 2004 monthly residential property utility rates were: • water $30; • sewer $11; and • garbage $12.50. The 2004 monthly commercial property utility rates were: • water $30; • sewer $11; and • garbage $10. The Municipal Corporate Review completed in 2004 determined that the village's utility rates were insufficient to cover the operating costs and the debt payments for the water, sewer, and solid waste services. Property taxes were paying the difference between the revenue from the utility rates and the actual cost of operating the utility systems and the utility debt payments. In 2005, the village will begin increasing its utility rates sufficiently to cover the cost of operating the utilities and the debt payments, with the exception of the annual payments of $17,669.67 on debentures for the sewage system improvements. The monthly residential property utility rates effective April 2005 are: • water $59.10; • sewer $14.05; and • garbage $17.50. The monthly commercial property utility rates effective April 2005 are: • water $59.10; • sewer $14.05; and • garbage $14.00. The village issues monthly bills for utility services.	The MD's policy would be to recover the capital and operating cost of providing water and sewer services in Hughenden from the residents and businesses through user fees. This would include the annual long-term debt payments on the utility systems. The 2005 utility rates set by the Hughenden council are sufficient to recover the operating costs of the utility systems with the exception of debenture payments for the sewage lift station. The MD does not provide garbage pickup in the other hamlets and will not provide garbage pickup in Hughenden. Hughenden residents would not be billed for garbage services. For comparison purposes, adjustments have been made to the Hughenden utility rates to remove the administrative salaries allocated to utility services as well as including the cost of the debenture payment ($6,521.71) for the sewage lift station that is not recovered in the rates. The other sewage debenture will be paid off in 2005 and the annual payment of $11,147.96 was not included in the adjustments. Estimated monthly utility rates if the village dissolved are: • water $55.50; and • sewer $14.63. The MD issues quarterly bills for utility services.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Family and community support services (FCSS)	The village is a participating member of the regional FCSS board. The village contributes approximately $1,700 annually and receives the following services: • counseling service by appointment; • on site seniors support services for three hours per month (additional seniors support is available upon request); and • Christmas hampers for qualifying families. FCSS services are being provided from the village office.	The MD is a participating member of the regional FCSS board. Hughenden residents would receive the same FCSS services but would lose representation on the regional board. The MD would continue to make the village office available for these services, however if at some point in the future, the building is sold or leased the FCSS services may have to be relocated.
Public health services	The village receives $125 per month to provide space for the public health nurse one day per month.	The MD would continue to provide rented space for the public health nurse. If at some point in the future, the building is sold or leased health services may have to relocate.
Boards and committees	Village councillors serve on various boards and committees including: • the Provost and District FCSS Board; • the MCHA Joint Recycling Council; • the Provost Foundation Hillcrest Lodge; • the MD # 52 Waste Management Authority; • the Hardisty Doctor Recruitment Board; • the Bellkirk Villa Board; • the Cemetery Board; and • the Central Sports Garden Association.	MD councillors serve on various boards and committees including: • the Provost and District FCSS Board; • the Provost Foundation Hillcrest Lodge; • the MD # 52 Waste Management Authority; and • the Hardisty Doctor Recruitment Board. Hughenden would lose separate representation on boards and committees where the appointments require elected officials. The MD councillors would represent the interests of Hughenden along with interests of the rest of the MD residents.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Campground and playgrounds	The village operates three playgrounds that are located on village property. The school also operates a playground that is located on village owned property. The village operates a small campground located on village property. Minimal revenues are collected from users of the campground.	The MD does not operate campgrounds or playgrounds in hamlets. These types of facilities are typically operated by the Agricultural Societies or other community associations. The MD would look to find community groups to take over the operation of the Hughenden facilities. Community groups could apply to the MCHA Recreation Board for funding.
Arena and bowling alley	The village owns the arena and bowling alley. The Central Sport Garden Association and the Hughenden Agricultural Society have an agreement with the community groups to operate and maintain the facilities. The village includes the community groups as additional named insureds on the village's policy and the groups reimburse the village for the cost. There is no financial contribution from the village towards the operation or maintenance of the facilities.	The MD acknowledges the importance of the facilities to Hughenden and the MD. The MD would look to turn the facilities over to the Central Sport Garden Association and the Hughenden Agricultural Society to operate and maintain. The MD is prepared to continue the practice of adding community groups as additional named insureds on their insurance policy.
Library	The village is a member of the Parkland Regional Library and contributes $4.63 per capita to the system in exchange for services. The village owns, maintains and insures the library building and carries the Village of Hughenden Library Board as an additional named insured on the village policy. The village pays for the insurance and does not charge the library board rent or utilities for the use of the building. The library is a municipal library under the Libraries Act and is operated by a board appointed by the council. The books in the library are the inventory of the Parkland Regional Library System.	The MD also belongs to the Parkland Regional Library system and would contribute to the system for the Hughenden population. Upon dissolution, the Village of Hughenden Municipal Library would no longer operate under the Libraries Act. The operation of the library in Hughenden, if it continues, would be a service point of the MD of Provost Library Board. In hamlets such as Cadogan and Bodo, community groups operate the libraries. The MD library board would look to find a community group to operate the Hughenden library. The MD may decide to charge rent for the library building and recover utility costs. If at some point in the future, the building is sold or leased the library may have to be relocated.

Services and community issues	Current situation in the village	What residents can expect if the village joins the MD
Cemetery	The cemetery is in the MD on village owned land. It is operated and managed by a cemetery board. The village maintains the cemetery records and contributes to the annual cleanup of the cemetery grounds.	If Hughenden joins the MD, the cemetery land and records would transfer to the MD. The MD would be the keeper of the cemetery records but would look to the cemetery board or another community group to take over the operation and maintenance of the Hughenden cemetery.
MCHA Recreation Board	The village is a contributing member of the MCHA Recreation Board. Members of the board pay an annual requisition. In 2004, the village's contribution was $1,880. The board acts a regional board to distribute grants to community groups in the villages and the MD.	The MD is a contributing member of the MCHA Recreation Board. The MCHA Recreation Board would continue to distribute grants to community groups in the villages and the MD.
Bellkirk Villa	The Bellkirk Villa is owned by the provincial government (Alberta Seniors and Community Supports). The Village of Hughenden is appointed by Ministerial Order as the Management Body for the facility. This means that the village council is responsible to appoint the Management Board for the facility each year. The Management Board appointed by the village is then responsible to the provincial government for the ongoing operation of the facility. There is no cost to the village as the provincial government pays any operating deficit.	The ongoing operation of the Bellkirk Villa will be unaffected if Hughenden dissolves. However, the provincial government will either have to appoint a new Management Body to take over the village's duties before dissolution or the village's duty to appoint the Management Board would fall to the MD after the date of dissolution.

Appendix 1

2004 residential tax rate comparison

Residential Tax Rate	Village	MD
General Municipal	23.5400	5.4140
Education	5.2518	5.2805
Hillcrest Lodge Foundation	0.3855	0.3586
Waste Management Authority		0.1126
F.C.S.S.		0.0145
MCHA Recreation		0.1479
West Fire		0.2514
Ambulance		0.1075
Allowance for Uncollectibles		0.0054
2004 Tax Rate	29.1773	11.6924

Notes:

This chart compares the tax rates in the two municipalities. For a comparison of the estimated costs to residents and businesses, please refer to Appendix 2.

The village also imposes a minimum tax of $425, not including requisitions, on both residential and non-residential properties.

Conclusion:

The 2004 MD residential tax rate was lower than Hughenden's residential tax rate by 17.4849 mils (60 percent).

Appendix 2

2004 non-residential tax rate comparison

Non-residential Tax Rate	Village	MD
General Municipal	23.5400	5.4140
Education	8.2653	7.1954
Hillcrest Lodge Foundation	0.3855	0.3586
Waste Management Authority		0.1126
F.C.S.S.		0.0145
MCHA Recreation		0.1479
West Fire		0.2514
Ambulance		0.1075
Allowance for Uncollectibles		0.0054
Special Industrial Levy		2.3279
2004 Tax Rate	32.1908	15.9352

Note:

This chart compares the tax rates in the two municipalities. For a comparison of the estimated costs to residents and businesses, please refer to Appendix 2.

Conclusion:

The 2004 MD non-residential tax rate was lower than Hughenden's non-residential tax rate by 16.2556 mils (50 percent).

Appendix 3

2004 estimated residential cost comparison
Adjusted to reflect full cost recovery utility rates in the MD

The following tables consider three residential properties in Hughenden. By applying the 2004 village and MD tax rates, and the full cost recovery utility rates, as estimated by the consultant who undertook the Municipal Corporate review, residents can compare their costs if Hughenden remains a village with the estimated cost if Hughenden joins the MD.

2004 Costs in Hughenden

Sample Property	Assessment	2004 Tax Rate	Taxes	Utility Payments	Total
Property 1	$ 70,750	29.1773	$ 2,064	$ 642	$ 2,706
Property 2	$ 26,720	29.1773	$ 780	$ 642	$ 1,422
Property 3	$ 10,370	29.1773	$ 483	$ 642	$ 1,125

2004 Estimated Costs if Hughenden had joined the MD

Sample Property	Assessment	2004 Tax Rate	Taxes	Utility Payments[1,2]	Total
Property 1	$ 70,750	11.6924	$ 827	$ 842	$1,669
Property 2	$ 26,720	11.6924	$ 312	$ 842	$1,154
Property 3	$ 10,370	11.6924	$ 121	$ 842	$ 963

Notes:

1. The utility rates have been adjusted to reflect the full cost of operating the village water and sewer utilities as estimated by the consultant who undertook the Municipal Corporate Review.
2. Further adjustments have been made to remove administrative salaries allocated to utility services, to include debenture payments, and to delete the garbage charges since **the MD will not provide garbage services.**

2004 Estimated Cost Comparison

Sample Property	Assessment	Costs in Hughenden	Estimated Costs if Hughenden had Joined the MD	Dollar Difference	Percent Difference
Property 1	$ 70,750	$ 2,706	$ 1,669	($ 1,037)	(38%)
Property 2	$ 26,720	$ 1,422	$ 1,154	($ 268)	(19%)
Property 3	$ 10,370	$ 1,125	$ 963	($ 162)	(14%)

Conclusion:

Using the 2004 MD tax rates and adjusted utility charges the sample properties' costs would have varied between 14 and 38 percent lower had the village joined the MD.

Appendix 4

2004 estimated non-residential municipal tax comparison Adjusted to reflect full cost recovery utility rates in the MD

The following tables consider three commercial properties in Hughenden. By applying the 2004 village and MD tax rates, and the full cost recovery utility rates, as estimated by the consultant who undertook the Municipal Corporate Review, businesses can compare their costs if Hughenden remains a village with the estimated cost if Hughenden joins the MD.

2004 Costs in Hughenden

Sample Property	Assessment	2004 Tax Rate	Taxes	Utility Payments	Total
Property 1	$ 96,200	32.1908	$ 3,097	$ 612	$ 3,709
Property 2	$ 25,930	32.1908	$ 835	$ 612	$ 1,447
Property 3	$ 5,510	32.1908	$ 473	$ 612	$ 1,085

2004 Estimated Costs if Hughenden had joined the MD

Sample Property	Assessment	2004 Tax Rate	Taxes	Utility Payments[1,2]	Total
Property 1	$ 96,200	15.9352	$ 1,533	$ 842	$ 2,375
Property 2	$ 25,930	15.9352	$ 413	$ 842	$ 1,255
Property 3	$ 5,510	15.9352	$ 88	$ 842	$ 930

Notes:

1. The utility rates have been adjusted to reflect the full cost of operating the village water and sewer utilities as estimated by the consultant who undertook the Municipal Corporate Review.
2. Further adjustments have been made to remove administrative salaries allocated to utility services, to include debenture payments, and to delete the garbage charges since **the MD will not provide garbage services.**

2004 Estimated Cost Comparison

Sample Property	Assessment	Costs in Hughenden	Estimated Costs if Hughenden had Joined the MD	Dollar Difference	Percent Difference
Property 1	$ 96,200	$ 3,709	$ 2,375	($ 1,334)	(36%)
Property 2	$ 25,930	$ 1,447	$ 1,255	($ 192)	(13%)
Property 3	$ 5,510	$ 1,085	$ 930	($ 155)	(14%)

Conclusion:

Using the 2004 MD tax rates and adjusted utility charges the sample properties' costs would have been between 13 and 36 percent lower had the village joined the MD.

What is the next step?

Alberta Municipal Affairs will conduct a public meeting to discuss the dissolution study on Wednesday, May 11, 2005 at 7 p.m. in the Hughenden Community Hall.

A vote on the question of dissolution will take place on Wednesday, May 18, 2005 between 10 a.m. and 8 p.m. in the Hughenden Community Hall.

The question on the ballot is:

"Do you wish the Village of Hughenden to dissolve and become part of Municipal District of Provost No. 52?"

Alberta Municipal Affairs will administer the vote in accordance with the Local Authorities Election Act.

Who can vote?

To be eligible to vote you must be:

- at least 18 years of age;
- a Canadian citizen;
- a resident of Alberta for the six months immediately preceding the vote; and
- a resident of the Village of Hughenden on the day of the vote.

What does it mean to be a resident of the Village of Hughenden on the day of the vote?

The Local Authorities Election Act, section 48(1), states the rules of residence.

For the purposes of this Act, the place of residence is governed by the following rules:

a) a person may have only one place of residence for the purposes of this Act;

b) the residence of a person is the place where the person lives, sleeps and to which, when the person is absent, the person intends to return;

c) a person does not lose the person's residence by leaving the person's home for a temporary purpose;

d) subject to clause (e), a student who

i. attends an educational institution within or outside Alberta,

ii. temporarily rents accommodation for the purpose of attending and educational institution, and

iii. has family members who are resident in Alberta and with whom the student ordinarily resides when not attending an educational institution

is deemed to reside with those family members;

e) if a person leaves the area with the intention of making the person's residence elsewhere, the person loses the person's residence within the area.

What happens after the vote?

The results of the vote and the information in the study are provided to the Minister to help the Minister determine whether or not to recommend to the provincial Cabinet that the Village of Hughenden should dissolve and join the Municipal District of Provost No. 52.

What happens if the Minister recommends dissolution?

If the Minister recommends dissolution to the Provincial Cabinet and it agrees, an Order in Council is passed dissolving the village into the MD. The village council and administration would then work with the MD to wind up the village's affairs.

What will happen if the Minister determines that the village should not dissolve?

The village will continue to provide services to residents and the MD will continue to work with the village.

Who can I contact if I need more information?

Call Terry Broome or Chris Calvert at Alberta Municipal Affairs toll-free by dialing 310-0000 and asking for 427-2225.